

AMENDED IN ASSEMBLY JUNE 21, 2006

AMENDED IN SENATE MAY 3, 2006

AMENDED IN SENATE APRIL 18, 2006

AMENDED IN SENATE APRIL 17, 2006

SENATE BILL

No. 1622

Introduced by Senator Escutia

February 24, 2006

An act to add Section 12693.335 to the Insurance Code, and to add Article 7.5 (commencing with Section 1120) to Chapter 4 of Part 1 of Division 1 of the Unemployment Insurance Code, relating to health insurance.

LEGISLATIVE COUNSEL'S DIGEST

SB 1622, as amended, Escutia. Healthy Families Program and Medi-Cal: employee eligibility.

Existing law provides for various health programs under which qualified low-income persons are provided health care services. These programs include the Medi-Cal program, which is administered by the State Department of Health Services, and the Healthy Families Program, which is administered by the Managed Risk Medical Insurance Board. Existing law also requires the Employment Development Department to administer the unemployment compensation system and makes it a misdemeanor for a person to fail to supply information required by the Unemployment Insurance Code.

This bill would require the State Department of Health Services and the Managed Risk Medical Insurance Board to develop, on or before January 1, 2008, an informational document, referred to as the "Employee Notification of Eligibility for Healthy Families/Medi-Cal,"

containing certain information about the Healthy Families Program and the Medi-Cal program. The bill would require California employers within identified industries, as specified, to provide the notice to employees, and would specify that a violation of that requirement is a misdemeanor. *The bill would require the Labor Commissioner to enforce those provisions.* The bill would also require the Employment Development Department to notify those employers of the requirements relating to the Employee Notification of Eligibility for Healthy Families/Medi-Cal.

Because the bill would expand the scope of a crime, it would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 12693.335 is added to the Insurance
- 2 Code, to read:
- 3 12693.335. On or before January 1, 2008, the board, in
- 4 collaboration with the State Department of Health Services, shall
- 5 develop an informational document, which may be referred to as
- 6 the "Employee Notification of Eligibility for Healthy
- 7 Families/Medi-Cal," that California employers described in
- 8 Section 1120 of the Unemployment Insurance Code shall provide
- 9 to their employees. The document shall contain all of the
- 10 following:
- 11 (a) A notification to employees of the availability of health
- 12 coverage for children through the Healthy Families Program and
- 13 the Medi-Cal program.
- 14 (b) A description of program eligibility including, but not
- 15 limited to, all of the following:
- 16 (1) Income eligibility criteria.
- 17 (2) A clarifying statement that declares individuals who
- 18 receive an income may meet program eligibility requirements.

1 (3) A clarifying statement that declares individuals who do not
2 receive income assistance may meet program eligibility
3 requirements.

4 (c) A description of how to obtain additional information
5 about the programs, as well as application materials and
6 enrollment instructions for the programs.

7 (d) The document shall be in a form that is easily duplicated
8 by employers and transmitted by the board to the Employment
9 Development Department.

10 (e) The document shall be made available in English and in
11 each language spoken by 5 percent or more of the employer's
12 employees who are non-English-speaking people. When
13 requested by an employer, the board shall produce a copy of the
14 document in any language spoken by five percent or more of the
15 employer's employees. For the purposes of this section,
16 "non-English-speaking" means an individual who is a member of
17 a group who either does not speak English or who is unable to
18 effectively communicate in English because it is not his or her
19 native language.

20 SEC. 2. Article 7.5 (commencing with Section 1120) is added
21 to Chapter 4 of Part 1 of Division 1 of the Unemployment
22 Insurance Code, to read:

23
24 Article 7.5. Healthy Families Program and Medi-Cal
25

26 1120. (a) An employer *whose organization, business,*
27 *company, or enterprise is within at least one of the industries*
28 *identified by the department pursuant to Section 1121 shall*
29 *provide the Employee Notification of Eligibility for Healthy*
30 *Families/Medi-Cal, as described in Section 12693.335 of the*
31 *Insurance Code, to an employee hired on and after March 31,*
32 *2008, within 10 days from the date the employee was hired, or*
33 *with the first itemized wage statement furnished pursuant to*
34 *Section 226 of the Labor Code, whichever occurs first. However,*
35 *if the Managed Risk Medical Insurance Board has not completed*
36 *development of the document at that time, the employer shall*
37 *provide the document to the employee within 90 days after the*
38 *date that the board makes the document available on the Internet.*

39 (b) An employer *whose organization, business, company, or*
40 *enterprise is within at least one of the industries identified by the*

1 department pursuant to Section 1121 shall provide an Employee
2 Notification of Eligibility for Healthy Families/Medi-Cal to each
3 person who is employed by that employer prior to March 31,
4 2008, within 90 days after the date that the Managed Risk
5 Medical Insurance Board makes the document available on the
6 Internet. However, an employer shall not be required to provide
7 the notice prior to March 31, 2008.

8 (c) A violation of this section is a misdemeanor as provided in
9 Section 2117.

10 (d) *The Labor Commissioner shall enforce the provisions of*
11 *this section in accordance with the provisions of Chapter 4*
12 *(commencing with Section 79) of Division 1 of the Labor Code.*

13 (e) *This section shall not apply to In-Home Supportive*
14 *Services (IHSS) employers, who are individual patients and are*
15 *hereby exempt from providing the Employee Notification of*
16 *Eligibility for Healthy Families/Medi-Cal to their employees or*
17 *health care providers.*

18 1121. (a) The department shall identify industries whose
19 wage and compensation levels include a majority of employees
20 with family members potentially eligible for children's health
21 insurance through the Healthy Families Program or the Medi-Cal
22 program. The department shall notify employers within those
23 identified industries who are registered with the department on
24 December 31, 2007, of the requirements of this article. This
25 notice may be provided in the department's "California
26 Employer" quarterly newsletter, or other means used by the
27 department to clearly, effectively, and concisely communicate
28 with all employers in a form that any reasonable business person
29 would know where to look for the information. The notice shall
30 include the following information:

31 (1) The Internet Web site where employers may obtain the
32 Employee Notification of Eligibility for Healthy
33 Families/Medi-Cal.

34 (2) The telephone number to call to obtain the Employee
35 Notification of Eligibility for Healthy Families/Medi-Cal.

36 (3) A statement that employers may not discontinue existing
37 health care coverage for their employees to take advantage of the
38 coverage offered under the Healthy Families Program and the
39 Medi-Cal program.

1 (4) A statement that, *under current law*, an employer may not
2 discriminate against any employee on the basis of ancestry, race,
3 or national origin.

4 (5) *A listing of all the identified industries required to comply*
5 *with this article's requirements.*

6 (b) The department shall notify the ~~identified~~ employers
7 described in subdivision (a) who register with the department
8 after December 31, 2007, of this article's requirements. This
9 notice shall provide the same information required under
10 paragraphs (1), (2), and (3) of subdivision (a).

11 (c) The department shall post the Employee Notification of
12 Eligibility for Healthy Families/Medi-Cal on the Internet in a
13 format that is easily downloaded in PDF format, text format, as
14 well as other appropriate formats.

15 1122. The department shall collaborate with the Managed
16 Risk Medical Insurance Board and the State Department of
17 Health Services to implement this article and the related
18 provisions of the Insurance Code relating to the Healthy Families
19 Program and the Medi-Cal program. The department may
20 distribute information on behalf of the board if both agencies
21 determine it is the most cost-effective method of distribution.

22 SEC. 3. No reimbursement is required by this act pursuant to
23 Section 6 of Article XIII B of the California Constitution because
24 the only costs that may be incurred by a local agency or school
25 district will be incurred because this act creates a new crime or
26 infraction, eliminates a crime or infraction, or changes the
27 penalty for a crime or infraction, within the meaning of Section
28 17556 of the Government Code, or changes the definition of a
29 crime within the meaning of Section 6 of Article XIII B of the
30 California Constitution.